

December 14, 2022

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
Post Office Box 1088  
Salem, Oregon 97308-1088

**Re: UM 2137 – NW Natural’s Application for Reauthorization to Defer Costs  
Associated with Metro Supportive Housing Services Tax**

In accordance with ORS 757.259 and OAR 860-027-0300, Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “Company”), files herewith an Application for Reauthorization (“Application”) to use deferred accounting for costs associated the Metro Supportive Housing Services Tax.

A notice concerning this Application will be sent to all parties who participated in the Company’s last general rate case, UG 435. A copy of the notice and the certificate of service are attached to the application.

Please address correspondence on this matter to me with copies to the following:

eFiling  
Rates & Regulatory Affairs  
NW Natural  
250 SW Taylor Street  
Portland, Oregon 97204  
Fax: (503) 220-2579  
Phone: (503) 610-7330  
eFiling@nwnatural.com

If you have any questions, please contact me.

Sincerely,

*/s/ Kyle Walker, CPA*

Kyle Walker, CPA  
Rates/Regulatory Manager

Attachments

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 2137**

In the Matter of

NORTHWEST NATURAL GAS  
COMPANY, dba, NW NATURAL

For Reauthorization to Defer Costs  
Associated with Metro Supportive  
Housing Services Tax

APPLICATION

1 Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the  
2 “Company”), hereby files with the Public Utility Commission of Oregon (the  
3 “Commission”) this application (“Application”) seeking reauthorization to use  
4 deferred accounting pursuant to ORS 757.259 and OAR 860-027-0300, for the 12-  
5 month period beginning January 1, 2023 through December 31, 2023, for amounts  
6 associated with the Metro Supportive Housing Services (“MSHS”) Tax pursuant to  
7 Metro Measure 26-210. On May 19<sup>th</sup>, 2020, the Metro Council referred to Metro  
8 Region voters Measure 26-210, supporting homeless services through a higher  
9 earners’ personal income tax and business profits tax. The measure authorized  
10 Metro to create a Supportive Housing Services (hereafter “SHS”) program, funded  
11 by a marginal personal income tax on households with taxable income in excess of  
12 \$200,000 (\$125,000 for single filers), and a business profits tax of 1% with an  
13 exemption for small businesses with gross receipts of \$5 million or less per year.

1 In support of this Application, NW Natural states:

2 **A. NW Natural.**

3 NW Natural is a public utility in the State of Oregon and is subject to the  
4 jurisdiction of the Commission regarding rates, service, and accounting practices.  
5 NW Natural provides retail natural gas service in the States of Oregon and  
6 Washington.

7 **B. Statutory Authority.**

8 This application is filed pursuant to ORS 757.259, which empowers the  
9 Commission to authorize the deferral of expenses or revenues of a public utility for  
10 later inclusion in rates.

11 **C. Communications.**

12 Communications regarding this Application should be addressed to:

13 e-Filing  
14 NW Natural Rates & Regulatory Affairs  
15 250 SW Taylor Street  
16 Portland, Oregon 97204  
17 Phone: (503) 610-7330  
18 Email: eFiling@nwnatural.com;

19  
20 Ryan Sigurdson (OSB #201722)  
21 Regulatory Attorney  
22 250 SW Taylor Street  
23 Portland, Oregon 97204  
24 Phone: (503) 610-7570  
25 Email: ryan.sigurdson@nwnatural.com;

26  
27 and

28  
29 Kyle Walker, CPA  
30 Rates/Regulatory Manager  
31 250 SW Taylor Street  
32 Portland, Oregon 97204  
33 Phone: (503) 610-7051  
34 Email: kyle.walker@nwnatural.com

1 **D. Description of the Expenses or Revenues for which Deferred**  
2 **Accounting is Requested – OAR 860-027-0300(3)(a).**

3 NW Natural requests reauthorization to defer the costs associated with the  
4 MSHS Tax. The MSHS Tax became effective January 1, 2021 and has been  
5 imposed on NW Natural from that day forward.

6 **E. Reasons Reauthorization of Deferred Accounting is Being Requested –**  
7 **OAR 860-027-0300(3)(b).**

8 ORS 757.259 is a “statutorily authorized exception to the general prohibition  
9 against retroactive ratemaking” that allows a “means to address utility expenses or  
10 revenues outside of the utility’s general rate case proceeding.<sup>1</sup> Under ORS  
11 757.259(2)(e), the Commission has discretion to authorize a deferral of “[i]dentifiable  
12 utility expenses or revenues, the recovery or refund of which the commission finds  
13 should be deferred in order to minimize the frequency of rate changes . . . or to  
14 match appropriately the costs borne by and benefits received by rate payers.” NW  
15 Natural requests this deferral to match the costs borne and benefits received by  
16 customers.

17 **F. Accounting – OAR 860-027-0300(3)(c).**

18 Continuing on January 1, 2023 and ending 12 months from this date, NW  
19 Natural proposes to account for the costs associated with the MSHS Tax by  
20 recording the deferral in Account 186. In the absence of approval of deferred

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<sup>1</sup> *In re Matter Public Utility Commission of Oregon Staff Request to Open Investigation Related to Deferred Accounting*, Docket UM 1147, Order No. 05-1070 at 2 (October 5, 2005).

1 accounting, NW Natural would record the amounts in several accounts affecting the  
2 Company's income statement and balance sheet.

3 **G. Estimated Amounts Subject to Deferral – OAR 860-027-0300(3)(d).**

4 NW Natural cannot estimate what amounts will be recorded in the Metro  
5 deferral account for the upcoming 12-month period because the amount is  
6 dependent on the actual tax assessed by the Metro Region and customer usage  
7 which collects, on a variable basis, the revenues for the MSHS tax.

8 **H. Description of Entries in Deferred Account Under UM 2137 - OAR 860-  
9 027-0300(4)(a)**

10 Pursuant to OAR 860-027-300(4)(a), NW Natural has deferred -\$74,889 for  
11 the months January 2022 through the date of this filing, which represents the  
12 difference between the estimated tax provision and the collected amount from  
13 customers subject to Schedule A.

14 **I. Reason for Continuation of Deferral Account – OAR 860-027-  
15 0300(4)(b)**

16 The continuation of deferred accounting for the matters addressed above is  
17 justified because they are continuing in nature.

18 **J. Requirement per Commission Order No. 09-263**

19 Below is the information required per Commission Order No. 09-263, issued  
20 in Docket UM-1286, Staff's Investigation into Purchase Gas Adjustment ("PGA")

21 Mechanisms:

- 1           **1. A completed Summary Sheet, the location in the PGA filing, and an**  
2                   **account map that highlights the transfer of dollars from one account**  
3                   **to another.**

4           Exhibit A to advice filing 22-20 includes a Summary Sheet which shows  
5           the estimated amounts deferred for 2022 and estimates for the tax  
6           provision in 2023 as well as calculation of the 2023 Metro rate. This  
7           deferral was not included for amortization in the PGA filing. If the  
8           Company proposes amortization in the upcoming PGA filing, Exhibit A to  
9           advice 22-20 would be attached to our electronic 2023-24 PGA filing as a  
10          file entitled, "Proposed Temps Oregon 2023-2024 PGA....xlsx."

- 11          **2. The effective date of the deferral**

12          This application is for the 12-month period beginning January 1, 2023 and  
13          ending December 31, 2023.

- 14          **3. Prior year Order Number approving the deferral**

15          Approval to use deferred accounting for costs associated with MSHS Tax  
16          was last granted on February 10, 2022, in Commission Order No. 22-041.

- 17          **4. The amount deferred last year.**

18          \$197,113 was deferred for Oregon during the last deferral year of  
19          November 30, 2021 through the most recent month, November 30, 2022.

- 20          **5. The amount amortized last year.**

21          This account is a balancing account that takes last year's balance and  
22          includes it in the next year's forecast. Therefore, we do not track  
23          amortization.





UM 2137

**NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER COSTS  
ASSOCIATED WITH THE METRO SUPPORTIVE HOUSING SERVICES TAX**

December 14, 2022

**To All Parties Who Participated in UG 435**

Please be advised that on December 14, 2022, Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for REAUTHORIZATION TO DEFER COSTS ASSOCIATED WITH THE METRO SUPPORTIVE HOUSING SERVICES TAX.

**This is not a rate case.** The purpose of this Notice is to inform parties who participated in the Company's last general rate case, UG 435, that a deferral reauthorization has been filed.

Parties who desire more information or who wish to obtain a copy of the filing, or notice of the time and place of any hearing, if scheduled, should contact the Company or the Commission as follows:

**NW Natural  
Attn: Kyle Walker  
250 SW Taylor Street  
Portland, Oregon 97204  
Phone: (503) 610-7051**

**Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
PO Box 1088  
Salem, Oregon 97308-1088  
Phone: (503) 378-6678**

Any person may submit to the Commission written comments on this matter within 25 days of the service of this notice. The granting of this deferral reauthorization will not authorize a change in rates but will permit the Company to defer amounts in rates to a subsequent proceeding.

\* \* \* \* \*





**CERTIFICATE OF SERVICE  
UM 2123**

I hereby certify that on December 14, 2022, I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER COSTS ASSOCIATED WITH METRO SUPPORTIVE HOUSING SERVICES TAX upon all parties of record for NW Natural's last general rate case, UG 435.

**UG 435**

OREGON CITIZENS' UTILITY  
BOARD  
dockets@oregoncub.org

MICHAEL GOETZ  
OREGON CITIZENS' UTILITY  
BOARD  
mike@oregoncub.org

TOMMY A. BROOKS  
CABLE HUSTON LLP  
tbrooks@cablehuston.com

MATTHEW MULDOON  
PUBLIC UTILITY COMMISSION  
matt.muldoon@puc.oregon.gov

JAMES BIRKELUND  
SMALL BUSINESS UTILITY  
ADVOCATES  
james@utilityadvocates.org

JAIMINI PAREKH  
EARTHJUSTICE  
jparekh@earthjustice.org

CARRA SAHLER  
LEWIS & CLARK LAW SCHOOL  
sahler@lclark.edu

JOCELYN PEASE  
MCDOWELL RACKNER &  
GIBSON PC  
jocelyn@mrg-law.com

WILLIAM GEHRKE  
OREGON CITIZENS' UTILITY  
BOARD  
will@oregoncub.org

CHAD M. STOKES  
CABLE HUSTON LLP  
cstokes@cablehuston.com

STEPHANIE ANDRUS  
PUBLIC UTILITY COMMISSION  
stephanie.andrus@doj.state.or.us

DIANE HENKELS  
SMALL BUSINESS UTILITY  
ADVOCATES  
diane@utilityadvocates.org

DANNY KERMODE  
SMALL BUSINESS UTILITY  
ADVOCATES  
5553dkcpa@gmx.us

KRISTEN BOYLES  
EARTHJUSTICE  
kboyles@earthjustice.org

ADAM HINZ  
EARTHJUSTICE  
ahinz@earthjustice.org

MCDOWELL RACKNER &  
GIBSON PC  
dockets@mrg-law.com

ERIC NELSEN  
NW NATURAL  
eric.nelsen@nwnatural.com

NW NATURAL  
efiling@nwnatural.com

DATED December 14, 2022, Portland, OR.

/s/ Erica Lee-Pella  
Erica Lee-Pella  
Rates & Regulatory Affairs, NW Natural  
250 SW Taylor Street  
Portland, Oregon 97204  
(503) 610-7330  
erica.lee-pella@nwnatural.com